



**MONROE TOWNSHIP
PERRY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

MONROE TOWNSHIP
PERRY COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Monroe Township
Perry County
P.O. Box 426
Corning, Ohio 43730

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Perry County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the combined fund cash balances of Monroe Township, Perry County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 7, 2001

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**MONROE TOWNSHIP
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$ 10,971	\$ 57,848	\$	\$ 68,819
Intergovernmental	50,294	74,920		125,214
Other Revenue	49			49
	61,314	132,768	0	194,082
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	39,643	77,708		117,351
Public Works		44,277		44,277
Health	250	6,171		6,421
Debt Service:				
Bond Principal Payment	1,900			1,900
Note Principal Payment	43,692			43,692
Interest and Fiscal Charges	7,929			7,929
Capital Outlay			75,686	75,686
	93,414	128,156	75,686	297,256
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	(32,100)	4,612	(75,686)	(103,174)
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Bonds			80,000	80,000
Sale of Notes	26,574			26,574
Other Sources	5,283			5,283
	31,857	0	80,000	111,857
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(243)	4,612	4,314	8,683
Fund Cash Balances, January 1	34,907	21,043		55,950
Fund Cash Balances, December 31	\$ 34,664	\$ 25,655	\$ 4,314	\$ 64,633

The notes to the financial statements are an integral part of this statement.

**MONROE TOWNSHIP
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$ 10,671	\$ 60,434	\$ 71,105
Intergovernmental	29,335	93,859	123,194
Other Revenue	59	965	1,024
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	40,065	155,258	195,323
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	33,674		33,674
Public Safety		46,951	46,951
Public Works		66,664	66,664
Health		5,897	5,897
Debt Service:			
Note Principal Payment	8,704	42,538	51,242
Interest and Fiscal Charges	3,366	2,087	5,453
Capital Outlay		16,122	16,122
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	45,744	180,259	226,003
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(5,679)	(25,001)	(30,680)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	40,586	46,044	86,630
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 34,907</u>	<u>\$ 21,043</u>	<u>\$ 55,950</u>

The notes to the financial statements are an integral part of this statement.

**MONROE TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe Township, Perry County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, emergency medical services and fire protection. The Township contracts with the Village of Corning to provide fire and emergency medical services.

The Township's management believes the financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township Clerk invests all available funds of the Township in an interest-bearing checking account.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

**MONROE TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

EMS Fund - This fund receives property tax money to provide emergency medical services for Township residents.

Fire Fund - This fund receives property tax money to provide fire protection to Township residents.

EMS Apparatus Fund - This fund receives property tax money to provide emergency medical equipment for Volunteer Departments.

Fire Apparatus Fund - This fund receives property tax money to provide fire protection equipment for Volunteer Departments.

3. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following Capital Projects Fund:

Bond Fund - This fund received the proceeds of a bond issue in order to purchase land and remodel a building.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**MONROE TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$ 64,633</u>	<u>\$ 55,950</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999, follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 56,896	\$ 93,171	\$ 36,275
Special Revenue	129,070	132,768	3,698
Capital Projects	80,000	80,000	0
Total	\$ 265,966	\$ 305,939	\$ 39,973

**MONROE TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 76,500	\$ 93,414	\$ (16,914)
Special Revenue	143,270	128,156	15,114
Capital Projects	80,000	75,686	4,314
Total	\$ 299,770	\$ 297,256	\$ 2,514

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 36,909	\$ 40,065	\$ 3,156
Special Revenue	126,300	155,258	28,958
Total	\$ 163,209	\$ 195,323	\$ 32,114

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 76,394	\$ 45,744	\$ 30,650
Special Revenue	175,359	180,259	(4,900)
Total	\$ 251,753	\$ 226,003	\$ 25,750

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statement as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located in the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**MONROE TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 78,100	6.75%
General Obligation Note	26,574	6.28%
Total	\$ 104,674	

The general obligation bonds were issued for the purpose of acquiring real estate and improving buildings to provide facilities to house offices, personnel and functions of the Township. The general obligation note was a note rollover of a previously issued note that was used to finance the purchase of a new dump truck to be used for Township road maintenance. The bonds are collateralized by the Township's taxing authority. The full faith and credit of the Township have been pledged to repay this debt.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Bonds	General Obligation Notes
2001	\$ 7,372	\$ 28,243
2002	7,430	0
2003	7,475	0
2004	7,406	0
2005	7,430	0
Subsequent	103,701	0
Total	\$ 140,814	\$ 28,243

6. RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Effective July 1, 2000, the employers' contribution rate decreased to 8.13% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**MONROE TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RISK MANAGEMENT

The Township is insured with Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policies. Coverage is subject to deductibles and scheduled property. The following risks are covered by OTARMA:

- General liability and casualty
- Public officials' liability
- Vehicle
- Property
- Errors or omissions

The Township also provides health insurance coverage to full-time employees and elected officials through a private carrier.

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Monroe Township
Perry County
P.O. Box 426
Corning, Ohio 43730

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Perry County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 7, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as item numbers 2000-41064-001 and 2000-41064-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 7, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 7, 2001.

Monroe Township
Perry County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 7, 2001

**MONROE TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-41064-001

Finding for Recovery

Ohio Rev. Code Section 505.24 established the compensation rate for Township Trustees. During 1999, Elmer Glanemann, Trustee, was paid by the Clerk, Pattie Jo Duffy, an amount in excess of that allowed by statute. This resulted in the overpayment noted below.

The following represents payment made, the amount due and the amount of the overpayment:

Name/Position	Amount Due	Amount Paid	Total Over Payment
Elmer Glanemann, Trustee	\$6,372.04	\$6,543.96	\$171.92

The amount due noted above included the statutory compensation rate of \$5,872.00 for 1999 and an underpayment from 1998 of \$500.04.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is issued for monies illegally expended against Elmer Glanemann, Trustee, and Pattie Jo Duffy, Clerk, and the Ohio Farmers Insurance Company, their bonding company, jointly and severally, in the amount of \$171.92, in favor of the General Fund of Monroe Township.

FINDING NUMBER 2000-41064-002

Finding for Recovery

Ohio Rev. Code Section 505.24 established the compensation rate for Township Trustees. During 1999, Todd Pierce, Trustee, was paid by the Clerk, Pattie Jo Duffy, an amount in excess of that allowed by statute. This resulted in the overpayment noted below.

The following represents payment made, the amount due and the amount of the overpayment:

Name/Position	Amount Due	Amount Paid	Total Over Payment
Todd Pierce, Trustee	\$6,372.04	\$6,543.96	\$171.92

The amount due noted above included the statutory compensation rate of \$5,872.00 for 1999 and an underpayment from 1998 of \$500.04.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is issued for monies illegally expended against Todd Pierce, Trustee, and Pattie Jo Duffy, Clerk, and the Ohio Farmers Insurance Company, their bonding company, jointly and severally, in the amount of \$171.92, in favor of the General Fund of Monroe Township.



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MONROE TOWNSHIP

PERRY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 12, 2001**